



ASX/Media Announcement

11th June 2009

Additional copper-gold drill results at Gem Prospect. Follow up drilling to commence in June.

Key Points

- Encouraging results have been received for the first pass, five hole programme for the peripheral, mineralized East Zone and West Zone targeting new style copper mineralisation within the Narku Granite.
- Significant low grade mineralisation intersected in GR-001 from the mineralised East Zone;

21m @ 0.12% copper and 0.05g/t gold from 55m
- Previously reported Hole GR-003 from the mineralised Central Zone of;

38m @ 1.25% copper and 0.20g/t gold from 33m, including 22m @ 1.96% copper and 0.29g/t gold from 45m.
- Follow up RC drilling in June of eleven holes to determine extent of high grade Central Zone and further test peripheral West and East Zones.

China Yunnan Copper Australia Limited (**ASX:CYU**) announced today encouraging results from its first pass exploration reverse circulation (RC) drilling programme at the Gem Prospect on its Cloncurry North Project (**Figure 1**) which has **not been drilled previously**.

A total of five RC drillholes (**Figure 2**) for 670m were completed in May 2009 (**Table 1**). Holes were drilled to test the Gem mineralised trend and geophysical-geochemical anomalies associated with surface copper mineralisation and magnetic responses. CYU considers these results very important in terms of discovering a significant iron oxide-copper-gold (IOCG) system. Mineralisation remains open down dip and along strike. An ongoing step out drill programme is planned to delineate the scale of the Gem Prospect.

HOLE ID	EAST*	NORTH*	RL (m)	Dip (°)	AZM (Grid)	DEPTH (m)
GR-001	419403	7758801	193	-60	090	150.00
GR-002	419544	7758581	193	-60	130	120.00
GR-003	419425	7758551	188	-60	060	100.00
GR-004	419368	7758445	189	-60	060	150.00
GR-005	419387	7758423	192	-60	060	150.00

Table 1: Gem Prospect RC drillcollar location. * Easting and Northing UTM MGA Zone 54 – GDA94.

The Gem Prospect consists of a series of sub-parallel mineralised zones trending northwest. Early interpretation has defined three trends labelling these West Zone, Central Zone and East Zone (**Figure 2**). These zones consist of a series of sub-parallel quartz-pyrite-chalcopyrite-haematite breccias (**Plates 1 and 2**). Numerous old workings are observed on the surface of the prospect with an overall strike length greater than 650m.

Recently completed first pass drilling of these zones has returned encouraging results warranting follow up in this virgin prospect (**Table 2**). The East Zone, tested by GR-001 returned a low grade near surface copper intersection of **21m @ 0.12% copper and 0.05g/t gold** from 55m down hole depth. The Central Zone, tested by GR-003 returned a previously reported near surface copper-gold intersection of **38m @ 1.25 % copper and 0.20 g/t gold** from 33m down hole depth (**Figure 3**) including a high grade interval of 22m @ 1.96% copper and 0.29 g/t gold.

The West Zone has not been adequately tested by GR-004 and GR-005 as both holes failed to reach target depth due to a combination of factors including rig suitability to terrain and drilling conditions. GR-002 was drilled to target a spot geochemical and Niton XRF anomaly unrelated to the three main zones with no significant results returned.

Hole Id	Zone	From	To	Width	Cu	Au	Comment
GR-001	East	42	43	1	0.13	<0.01	
GR-001	East	55	76	21	0.12	0.05	
Including	East	55	57	2	0.19	0.08	1000ppm Cu cut off
	East	60	61	1	0.08	0.14	0.10g/t Au cut off
	East	61	66	5	0.16	0.05	1000ppm Cu cut off
	East	68	69	1	0.12	0.02	1000ppm Cu cut off
	East	73	76	3	0.20	0.10	1000ppm Cu cut off
GR-002	Nil	No Significant Intersection					
GR-003	Central	0	1	1	0.01	0.39	0.10g/t Au cut off
GR-003	Central	33	71	38	1.25	0.20	
Including	Central	45	67	22	1.96	0.29	1% Cu cut off
GR-003	Central	85	86	1	0.01	0.10	
GR-004	West	59	60	1	0.12	0.02	Target Not Tested
GR-004	West	80	81	1	0.47	0.27	Target Not Tested
GR-004	West	141	142	1	0.18	0.02	Target Not Tested
GR-005	West	39	40	1	0.11	<0.01	Target Not Tested
GR-005	West	120	121	1	0.01	0.10	Target Not Tested

Table 2: Gem Prospect Significant Drill Results. Geological intercepts only - no lower cut. Target not tested refers to not reaching target depth. These will be extended by diamond tails.

Based on the returned significant intersections from RC holes GR-003 (38m @1.25% copper and 0.20g/t gold from 33m) and GR-001 (21m @ 0.12% copper and 0.05g/t gold from 55m) a follow up eleven hole RC drill programme is proposed to delineate the strike extensions and geometry of the zones of mineralisation (**Figure 2**).

A post-mineralisation granodiorite dyke was intersected in the bottom of GR-003 with the last 2m emerging back into granite. There is potential of a second mineralised zone on the north-eastern side of this granodiorite dyke with a minor prospecting pit evident along the section line after the surface expression of the dyke (**Figure 3**). GR-004 and GR-005 are planned to be extended with diamond tails to target the untested West Zone.

Mineralisation remains open at depth and along strike to the northwest and southeast. The host rock is defined as the Naraku Granite which is believed to be responsible for IOCG mineralisation in the district. CYU's 2009 ground magnetic survey has identified that the main workings and surface geochemical anomalies are located adjacent to moderate magnetic responses within the large granite body. Most of the prospect is capped by alluvial cover with minimal outcrop observed.



About CYU

CYU is an Australian company formed to explore for and develop minerals in Australia and overseas. Cornerstone investor, Yunnan Copper Industry (Group) Co Ltd, is one of China's largest copper producers. CYU is targeting high quality copper, gold and uranium projects with eleven wholly owned Exploration Permit for Minerals (EPM's) in the Mt Isa Inlier, Ravenswood-Pentland Province and the Clermont Inlier in Queensland.

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Competent Person's Statement

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Richard Hatcher, who is a Member of the Australian Institute of Geologists and is a Senior Geologist of China Yunnan Copper Australia Ltd. Mr Hatcher has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results and Mineral Resources. ". Mr Hatcher consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

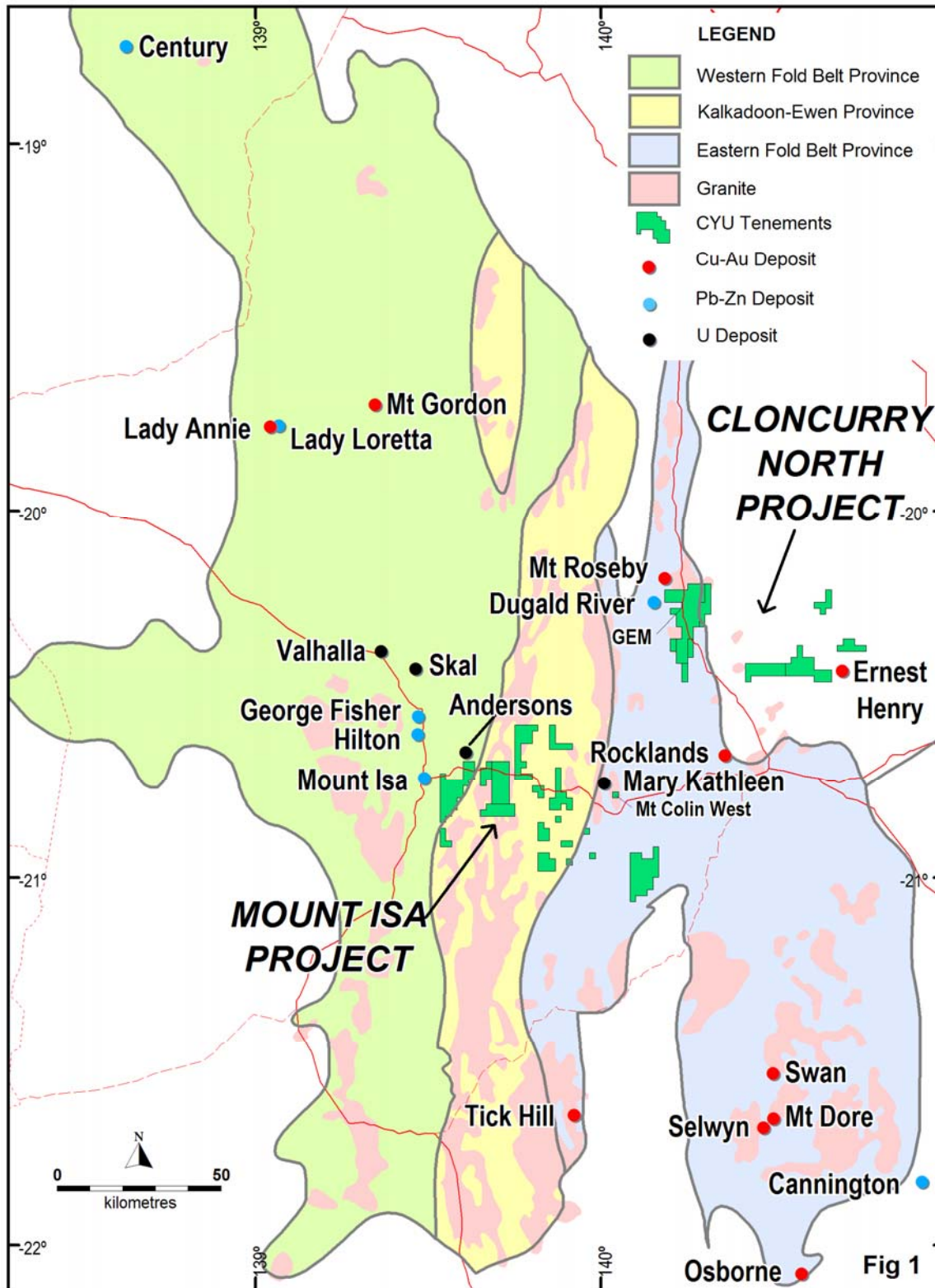


Figure 1. CYU project locations - Mt Isa and Cloncurry.

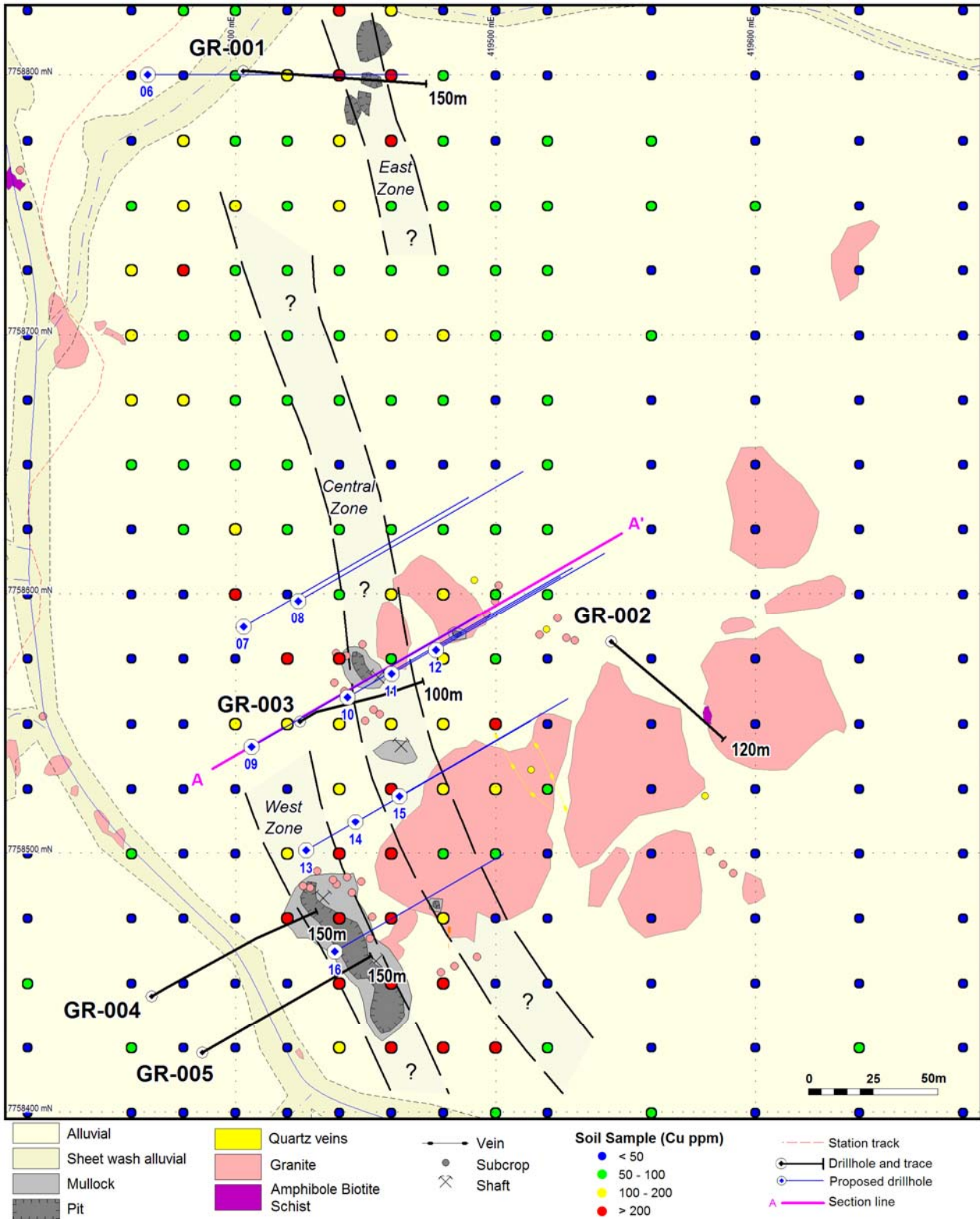


Figure 2. Gem interpretive prospect scale map.

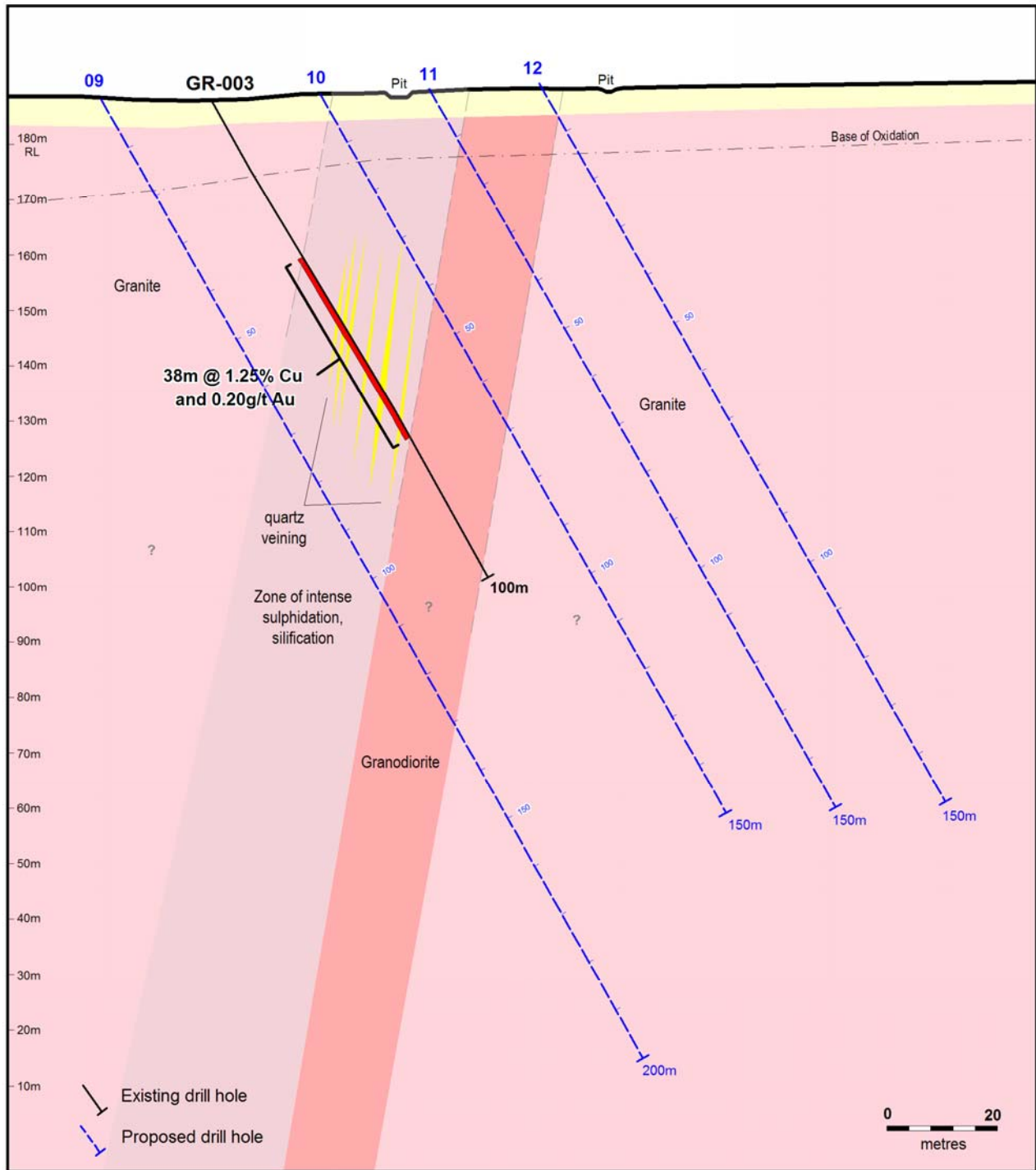


Figure 3. GR-003 cross section – Gem with proposed holes to confirm geometry of significant mineralisation. Initially the prospect will be extended on section every 20 metres and along strike 40 metres. Step out drilling will then be considered at double spacing subject to geometry confirmation.



Plate 1. Prospecting utilising the handheld Niton XRF device has indicated elevated copper along strike 40m to the south east of GR-003. The host rock is Naraku Granite which has been brecciated by the copper mineralising fluid.



Plate 2. Untested zone 60m to the south of GR005. Importantly copper mineralisation is not immediately evident on surface as per the iron oxide stained quartz sulphide breccia to the left of the hammer.